



July 16, 2004

**VIA HAND DELIVERY & BY ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Docket 3463 - Report of the Rhode Island DSM Collaborative Meeting of July 1, 2004**

Dear Ms. Massaro:

Enclosed on behalf of the Rhode Island DSM Collaborative are 10 copies of a report of meeting minutes from the Collaborative's July 1, 2004 meeting. Please circulate a copy of this report to the Commissioners as well as other interested staff members. Although this report is not required by the settlement approved in Docket 3463, the Collaborative is forwarding a copy of this report as a means to keep the Commission informed of its ongoing actions during the course of the year. I would also appreciate it if you would put a copy of this report in the official file for this docket.

Thank you for your attention to our report. Please contact me if you have any questions concerning this matter.

Very truly yours,

Laura S. Olton

Enclosures

cc: Docket 3463 Service List  
RI Collaborative Members (w/attachment)

**RHODE ISLAND DSM COLLABORATIVE**  
**JULY 1, 2004**  
**MEETING MINUTES**

---

**Attendance**

| Non-Utility Parties   | For Narragansett Electric                                      |
|---|--|
| Bill Lueker, RIAG for the Division<br>Erich Stephens, for CCJ<br>Janice McClanaghan, RI SEO<br>Dave Stearns, Division<br>Al Contente, Division<br>Tim Woolf, for the Division<br>John Farley, TEC-RI<br>Bill Martin, TEC-RI | Carol White<br>Laura McNaughton (by phone)<br>Jeremy Newberger |

Absent: Doug Hartley, Laura Olton, Fred Mason, Michael McAteer

**Meeting Highlights**

- New TEC-RI director John Farley was introduced.
  - The Collaborative reviewed a draft presentation in advance of the July 7, 2004, RI PUC Technical Session on the DSM Incentive Mechanism.
- 

**Meeting Details**

The third Rhode Island DSM Collaborative meeting of 2004 began at 9:44 a.m. at the offices of the Narragansett Electric Company in Providence, RI.

**1. Introductions**

John Farley was introduced as the new Executive Director of TEC-RI, replacing John Buck, who has retired after years of meritorious service.

*Action Item: Jeremy Newberger will send a set of documents to John Farley to help familiarize him with the current DSM programs.*

This material was sent electronically to John on Friday, July 2.

**2. DSM Incentive Mechanism**

Carol White introduced the topic for the meeting. When the RI PUC approved the Settlement Agreement for the Company's 2004 DSM programs at its December 18, 2003, Open Meeting, it also noted its interest in having a technical session on the shareholder incentive. The Technical Session has been scheduled for July 7, 2004, and this Collaborative meeting was scheduled to prepare for it.

Carol prepared a draft presentation and distributed it prior to the meeting. At the meeting, she reviewed it page by page with the Collaborative. The presentation was

divided into three sections: background and structure of the incentive, considerations for modifications, and proposed modifications.

The Collaborative offered many helpful insights. Among them were

- Add additional data comparing incentive structures with those of other states.
- Consider whether the incentive should promote excellence in program design as well as program delivery
- Remove the proposal for the 2005 incentive structure from the presentation, especially since we are interested in obtaining direction from the Commission on the incentive.

Specific ideas for 2005 performance metrics were also discussed, though it was agreed that the presentation would not cover specific metric objectives for 2005.

*Action Item: Tim Woolf asked for additional information on Energy Star Homes, low interest loans, and Energy Wise penetration among electric heat customers to support potential future metrics*

Laura McNaughton provided information on Energy Star Homes on July 2 and regarding EnergyWise on July 13.

*Action Item: Carol White will revise the presentation and circulate to the Collaborative on Tuesday, July 6.*

The revised presentation was distributed electronically to the Collaborative on that date.

The meeting adjourned at approximately 12:20 p.m.

*Minutes prepared by Jeremy Newberger*